



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

PAT MCCRORY  
GOVERNOR

ANTHONY J. TATA  
SECRETARY

June 20, 2013

ADDENDUM #1

To: Plan Holders

From: Wanda H. Austin, PE  
Proposals Engineer

*Wanda H Austin*

RE:

Contract ID: DN11268119  
County: Cherokee  
Letting Date: June 25, 2013

The project special provision for fuel adjustment has been corrected to reflect the pay item per shoulder mile instead of per hour. Please use the attached project special provision.

Please insert this letter into the addendum section of the proposal and sign the verification. Thank you for your attention to this matter.

Attachment

*Fourteenth Division Office*

Phone: (828)586-2141

253 Webster Road, Sylva, North Carolina 28779

Fax: (828)586-4043

**Fuel Price Adjustment:**

(3-27-12)

SPI

Revise the *2012 Standard Specifications* as follows:

**Page 1-93, Article 109-8 Fuel Price Adjustment** is amended to add the following as the first paragraph:

The base index price (B) for ULTRA-LO SULFUR DIESEL will be the Current OPIS Average Price for the date the contract is advertised. The Current OPIS Price (A) will be obtained on the first working day of each month. The fuel price adjustment will be administered based on hours mowed during that month. Data related to OPIS average pricing is located at the North Carolina Department of Administration website. <http://www.doa.state.nc.us/PandC/dynfuelfuels/fuelcost.asp#405a>. The fuel adjustment factor was derived from industry provided fuel consumption use on Long-Arm mowing for all systems. This factor was validated using NCDOT fuel usage for mowers.

The following formula will be used to calculate the appropriate payment.

$$S = (A - B)(QF)$$

Where:

- S = Fuel Price Adjustment for partial payment
- B = Base Index Price
- A = Current OPIS Price (First working day each month)
- Q = Partial payment quantity for contract item
- F = Fuel factor for contract item

The item(s) of work and the fuel factor used in calculating adjustments to be made are as follows:

Description	Units	Fuel Usage Factor Diesel
Shoulder Miles Mowed	SMI	10.0

Should the contract be renewed, the base index price will remain at the contract advertisement date price for the duration of the contract.

**Example of Fuel Price Adjustment for Fuel Price Increases:**

B = 3.1381 (Base Index Price)  
 A = 3.3602 (Current OPIS price from first working day of the month)  
 Q = 50 Miles (Partial payment quantity for contract item)  
 F = 10 (Fuel factor for contract item)

$$S = (A - B)(QF)$$

$$S = (3.3602 - 3.1381)(50 * 10)$$

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$$S = (0.2221)(500)$$

$$S = 111.05$$

S = \$111.05 (Fuel Price Adjustment for partial payment)

**Example of Fuel Price Adjustment for Fuel Price Decreases:**

$$B = 3.1381 \text{ (Base Index Price)}$$

$$A = 3.0059 \text{ (Current OPIS price from first working day of the month)}$$

$$Q = 50 \text{ Miles (Partial payment quantity for contract item)}$$

$$F = 10 \text{ (Fuel factor for contract item)}$$

$$S = (A - B)(QF)$$

$$S = (3.0059 - 3.1381)(50 * 10)$$

$$S = (-0.1322)(500)$$

$$S = -66.10$$

S = \$-66.10 (Fuel Price Adjustment resulting in deduction)